

## Impact of Temporary Emergency Price Programs

### Class Prices

	Increase in Class 1 (\$/cwt)	Increase in Class 2 (\$/cwt)	Increase in Class 3 (\$/cwt)	Increase in Class 4a (\$/cwt)	Increase in Class 4b (\$/cwt)	Increase in Pool (\$/cwt)
<b>Dec. 1988 Hearing: floors on all classes for 6 months in 1989 <sup>1/</sup></b>						
<i>Minimum</i>	\$0.19	\$0.00	\$0.00	\$0.00	\$0.00	\$0.06
<i>Average</i>	\$0.30	\$0.03	\$0.03	\$0.04	\$0.22	\$0.17
<i>Maximum</i>	\$0.46	\$0.11	\$0.11	\$0.11	\$0.48	\$0.31
<b>Nov. 1991 Hearing: increase on Classes 1, 2 and 3 for 6 months in 1992 <sup>2/</sup></b>						
<i>Average</i>	\$0.71	\$0.71	\$0.71	na	na	\$0.29
<b>Feb. 1995 Hearing: requested temporary increases denied</b>						
<i>Average</i>	na	na	na	na	na	na
<b>Apr. 1995 Hearing: increase on all classes for 8 months in 1995-96 <sup>3/</sup></b>						
<i>Average</i>	\$0.13	\$0.13	\$0.13	\$0.13	\$0.13	\$0.13
<b>May 1998 Hearing: requested temporary floors denied</b>						
<i>Average</i>	na	na	na	na	na	na
<b>Nov. 2009 Hearing: proposals</b>						
<b>Alliance: increase on Classes 1, 2 and 3 <u>permanently</u></b>						
<i>Average</i>	\$0.50	\$0.26	\$0.26	na	na	\$0.10
<b>WUD: increase on all classes <u>temporarily</u> for 6 months</b>						
<i>Average</i>	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.51
<b>Institute: increase on all classes <u>temporarily</u> for 3 months</b>						
<i>Average</i>	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20

<sup>1/</sup> Jan 1989 through June 1989 for Classes 4a and 4b

Feb 1989 through July 1989 for Class 1, 2 and 3

<sup>2/</sup> April 1992 through Sept 1992 for Class 1, 2 and 3

<sup>3/</sup> June 1995 through Jan 1996 for all classes

## **Historic Temporary Emergency Price Proposals and Adjustments 1988-2009**

### **December 8, 1988 - Consolidated Statewide Hearing Effective: January 1, 1989**

#### **Hearing proposal**

- Add \$1.00 per cwt to the Class 1 price for six months
- Floor Class 4a and 4b prices for 6 months, but the formulas would only be effective if the prices were above the floor.

#### **The result**

- Implement a temporary floor on the Class 1 price for February through July 1989 of \$.68 per cwt. above the December 1988/January 1989 price
- Temporary floors were placed on the Class 4a and 4b prices for January through June 1989 of \$.68 per cwt. above the current minimum prices that occurred when commercial butter, cheese, and powder prices were all at or below CCC support purchase prices.
- Classes 2 and 3 had indirect floors through the floors on Class 4a

### **November 20 and December 10, 1991 - Pooling and Consolidated Hearing Effective: February 3, 1992**

#### **Hearing proposal**

- Whether a temporary price increase on Class 1, 2, and 3 is warranted in accordance with the economic emergency criteria as defined in AB 2203 and AB 1232

#### **The result**

- The Department adopted a weighted average 4a/4b price of \$10.00 per cwt or less to implement a temporary price
- As a result, the Class 1, 2, and 3 component prices were increased \$0.058 per lb. (approximately \$0.70 per cwt.) for up to six months, and the resulting funds will be used to uniformly increase the quota, base and overbase prices
- The temporary increase was in effect all six months.

**February 17, 1995 – Consolidated Statewide Hearing**  
**Effective: No changes implemented**

Hearing proposal

- Consider emergency price relief to producers for losses incurred because of rainstorms during January 1995

The result

- The Department determined that there was insufficient evidence of an emergency as defined by the Food and Agricultural Code

**April 21, 1995 – Consolidated Statewide Hearing**  
**Effective: June 1, 1995 through January 31, 1996**

Hearing proposal

- The Department called the hearing on its own motion to consider temporary uniform increases in the price of milk utilized in all classes. Increases were considered as a means of providing additional revenues to producers to cover the higher costs of production caused by both the January and March 1995 rainstorms

The result

- A temporary uniform increase of \$0.13 per hundredweight (\$0.0107 per pound of both fat and SNF) across all classes of milk was implemented for the period June 1, 1995 through January 31, 1996